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IN THE

Supreme Court of the United States

OCTOBER TERM, 1943.

No. 392.

UNIVERSAL OIL PRODUCTS COMPANY, *Petitioner*,

v.

GLOBE OIL & REFINING COMPANY, *Respondent*.

On Writ of Certiorari to the United States Circuit Court of Appeals for the Seventh Circuit.

REBUTTAL BRIEF FOR PETITIONER, UNIVERSAL OIL PRODUCTS COMPANY.

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In this brief we will cite each of the sub-headings contained in respondent's reply brief, then give the references upon which the Court will find in petitioner's main brief (the white brief) or reply brief (the gray brief) the appropriate answers, and only where it may be helpful add the briefest possible statement of the respective contentions.

I. *Dubbs as an anticipation of Behimer* (R. R.* 1). Respondent did not assert that Dubbs anticipated Behimer; nor did petitioner so state. Respondent did take the position that Behimer was not entitled, against Dubbs, to the

* R. R. refers to respondent's reply brief.

broad claims to clean circulation; and Judge Kennedy so held; 122 F. (2d) 829. The statement that respondent was not a party to the *Anderson-Prichard* case is deceptive, as Anderson-Prichard and respondent were two of the members of the Winkler-Koch patent defense group; the presidents of each of them sat on the Executive Committee of the defense group together to superintend the litigation (I, 57); they were represented by the same counsel, who also appear here; the District Court made findings that all members of the Winkler-Koch group were in privity (white brief, 5); and respondent's own main brief to this Court asserts this collaboration as a virtue (p. 8).

II. *The unclean hands issue* (R. R. 3). Respondent has cited and quoted from its own witnesses. It has not sought objectivity or a fair appraisal of the evidence as a whole. This mode of argument would be appropriate to an argument on an issue of fact before the District Court, and we could reply (as we did there) with extensive quotations from our witnesses. We will not now further impose on this Court other than to say that there were, of course, conflicts of evidence (gray brief, 20-6) and that the District Court made extensive findings of fact in petitioner's favor (I, 463-8). In addition to the findings quoted in the white brief (22-4), and to those referred to in our reply oral argument, the Court will find the following inclusive and ultimate finding of fact (I, 465):

> "10. Defendant has failed to prove *any* of the allegations of the amendments to its Answer charging, or involved in the charge of, unclean hands on the part of Universal." (Emphasis ours.)

III. *The 500-pound pressure point* (R. R. 8). This goes to the heart of the fallacy of respondent's position on infringement. See white brief, 72-6, and gray brief, 33-7. Respondent has been finally reduced to the sophistical position that if 500 pounds pressure in the coil of its process is a departure from Dubbs, non-infringement is established.

Of course, Dubbs's teaching of approximately 100 pounds pressure, correlated with the stated temperature range, is a part of the illustrative run of the patent. *To ascertain just what process or phenomenon occurs in the B tubes of the Dubbs patent, the correlated temperature and pressure of the illustrative run must be adhered to.* Under the immutable laws of physics enunciated by petitioner's expert, Brown, and even admitted by respondent's expert, Smith (subject to a *caveat* at the bottom of the temperature range), substantial vapor generation without vapor liberation inevitably occurs in the B tubes under the conditions of the illustrative run.

Once the process or phenomenon occurring in the B tubes of the Dubbs patent is determined and the proper meaning (that for which petitioner contends) thereby ascribed to the disputed word "vaporization", it is clearly within the scope of the Dubbs patent to employ properly correlated temperatures and pressures of a higher order, such as in respondent's operation (940° F. and 500 pounds pressure), provided the determined characteristics of the process in the B tubes are preserved. Concededly, with such correlated temperature and pressure in the respondent's operation, vapors are generated in the cracking coil but liberation of vapors from the oil is prevented (III, 1125-6).

Changes in pressure of the order of 500, 850 or 2,000 pounds with corresponding adjustments of temperature to maintain the oil as a foamy mass in the cracking tubes would not be "outside the teachings of the Dubbs patent" and would in no way depart from the principle of the Dubbs invention or the claims thereof.*

Indeed, in the Dubbs Roxana plant 1-A, which started operating in June 1922 (II, 603), and plant 2, which began

* Conversely, when respondent suggests that pressures of the order of 500 to 2,000 pounds should be used, instead of 100 pounds, in carrying out Dubbs's illustrative run, it leaves the other conditions there stated unchanged in order to find support for its *a priori* assumption that no vapor generation is to occur in Dubbs's B tubes. Such procedure is improper.

operations in November 1922 (II, 606), the temperatures and pressures used on gas-oil were raised soon after the start of these operations to correlated values substantially higher than those given in the illustrative run of the Dubbs patent. The pressures in unit 1-A were of the order of 170 to 190 pounds and, in unit 2, ranged from 140 to 170 pounds, all with temperatures of 900° F. and higher (II, 605, 607). In the 500-barrel standard Dubbs unit, between 1922 and 1929, a typical gas-oil operation used a pressure between 150 and 190 pounds with temperatures at first of 860°-890° F., later increased to about 900° F. (II, 611).

The gas-oil operations of the Dubbs units of the Standard Oil Company of California, as early as 1925-1926, were carried out at a pressure of 270 pounds and at temperatures of "around 900° F., i.e., 870-910° F." (II, 559). California "went up in pressure to get the higher temperatures, on the recommendation of the Universal Products Co. from their experience in designs, for better yield and more efficient operation" (II, 575). Years later, respondent merely followed the same road.

IV. *Whether petitioner's expert, Brown, was or was not considering a hypothetical case* (R. R. 8) seems to us an utterly unnecessary bone of contention to growl over at this stage, and we simply submit that reading of the relevant testimony in its entirety and in its context (II, 750-1) will show to anyone who may be interested that the operation which Brown was there considering, where separation *alone* would occur in the C tubes, was a hypothetical case.

V. *How "clean circulation" solved the carbon problem* (R. R. 9). See white brief, 9-22, 26-7, 32-5, and gray brief, 38-9. Of course, the simple truth about the whole case is that both Dubbs as an inventor in 1919, and respondent as an oil refiner in 1929-1938* appreciated and enjoyed the benefit of the return of clean reflux, not to mingle with the liquid residue in the vaporizing chamber (C tubes), but

* The expiring date of the Dubbs patent.

directly to the inlet of the cracking coil (B tubes). Likewise, they both enjoyed the benefits of withdrawal of the residue from the chamber, and of its non-return to the cracking coil.

VI. *The Holmes-Manley stills* (R. R. 11). See white brief, 31, and gray brief, 39-41. Quite apart from the fact that the experimental runs prior to clean circulation upon which respondent relies were only of the order of 60 to 64 hours*, The Texas Company was dissatisfied with them and promptly changed to clean circulation after Dubbs had established its utility. The inverted nature of the respondent's whole line of reasoning (necessarily inverted because it is seeking to becloud a genuine infringement) is beautifully illustrated in the second full paragraph on page 13 of the reply brief, where respondent in effect says that what solved the carbon problem alike for Holmes-Manley and for Dubbs was they did not crack until the oil reached the chamber. At first blush one would suppose that the implication was that respondent suffers from the carbon problem because he cracks in the coil. Of course, the conclusion is wrong because the premise is wrong. Dubbs taught conditions to cause cracking in the coil (B tubes) without vapor separation and to avoid coke troubles in the coil; Holmes-Manley copied it and cured the earlier defects of their stills; and now respondent has copied it.

VII. *The file wrapper argument* (R. R. 14). See white brief, 73-6, 92-9, and gray brief, 46-50. In the end, the Dubbs file wrapper is reasonably brief and must speak for itself. Nowhere within it will be found any support for the theory that the issue of the patent was dependent upon the insertion of the mooted phrase "without substantial vaporization". Even if that were true, it would not affect the case if the phrase means without vapor liberation or separation. It is significant that respondent confines his argument at

* Respondent is in error in saying (p. 12) that petitioner's statement (gray brief, 39-40) is based upon runs of Battery 3 of Experiment 18. Petitioner's comparison was based on the very same run of Battery 4 of Experiment 18 (VI, 2699) which respondent says should be used.

this stage to claims 4 and 5. Yet, claim 5 itself (with its reference to the "vaporization space" above the liquid) provides its own refutation to respondent's argument. See particularly white brief, 78, 80, and gray brief, 48-9.

VIII. *The word "substantial"* (R. R. 18). See gray brief, 50-2. Why may not the word "substantial" apply at least as appropriately to vapor liberation as to vapor generation? This is particularly so when one carries in mind the condition of the foam, in the mixed vapor-liquid phase, coursing through the B tubes. Dubbs was warning against permitting the foam to break to any substantial extent into liberated vapor in these tubes, as the converse result would lead to the separation of liquid with the attendant coke formation and deposit in the tubes. This is not a world of perfection. Petitioner's witness candidly recognized that there might be some slight liberation of vapors in the B tubes,—"a sort of twilight zone where perhaps scientists might be on a ground for debate",—but this phrase did not, as respondent triumphantly suggests, speak volumes in itself, for it was immediately preceded and followed by two pages of scientific explanation of what might occur in the B-tubes (II, 699-701).

IX. *Behimer's early experimental work* (R. R. 19). See white brief, 54, and gray brief, 61-77. Quite apart from the fact that Behimer's experiments, which have been selected by respondent as most useful to him, provided running times of the order of 50-55 hours, with gasoline yields between 16 per cent and 19 per cent,—as compared to Dubbs's demonstration run voluntarily shut down after nine days and producing 32.7 per cent yield*,—the ultimate point is

* Respondent refers to Universal's initial guarantee to the Shell Company of a gasoline yield of only 21 per cent; but there is a world of difference between actual operations and a commercial minimum guarantee, especially when given by a small enterprise like Universal to the Royal Dutch-Shell Company. In effect, Universal was gambling its whole existence on its ability to meet this minimum guarantee, not experimentally or occasionally, but to refine gasoline for commerce. In fact, in the first Shell installation, runs were of the order of 14 days and yields 28 per cent (II, 603).

that Behimer did fail, notwithstanding that he had the full support of The Texas Company, and the District Court so found in unequivocal language and upon ample evidence. Behimer in person on the witness stand in this case said that the runs were failures, and failures because they did not solve the carbon problem, for the charging oil "was baked and stewed like you would in a frying pan and coked along the bottom" of the cracking coil (II, 947).

X. *Elevation of the dephlegmator* (R. R. 23). Brown did not testify that a high hydrostatic head for forcing hydrocarbons through a cracking coil would have been an obvious expedient prior to the Dubbs invention. His testimony had reference to the disclosure of the parent Dubbs application, Serial No. 144,979 (IV, 1891), of which the Dubbs patent in suit is a continuation, entitled to the benefit of any common subject-matter. Brown plainly stated that the parent Dubbs application, which is not a part of the prior art open and available to Behimer, did teach "a hydrostatic head of liquid" for carrying the oil to and through the cracking coils (III, 1482). Dubbs having made this teaching, then a mere variation in the height of the head became available to Dubbs to carry out the process disclosed in his application. Brown's testimony is in complete accord with petitioner's position that prior to Dubbs' the use of a hydrostatic head to feed oil to and through an elongated cracking coil was not an obvious expedient in the art.

The District Court made no finding in respect to the teachings of the 1917 parent Dubbs application because it concluded the scheme of the Behimer patent was inoperative and a nullity patentwise. This view was not disturbed by the Court of Appeals. For these reasons petitioner did not discuss the teachings of the parent Dubbs application in either its main or reply brief. Now that respondent has brought the application into the case (R. R. 19 and 24), we will point to its materiality and relevancy to the defense based on the Behimer patent.

The application was filed January 27, 1917, or prior to Behimer's experimental work or the filing of the application

upon which the Behimer patent matured. It was copending with the application for the Dubbs patent in suit throughout the pendency of that application. It is elementary that where two applications of the same inventor are copending, the last-filed application is entitled to the record date of the first-filed application as to all common subject-matter (*Field* v. *Coleman*, 40 App. D. C. 598).

The 1917 Dubbs application does teach clean circulation. Brown unequivocally so testified (III, 1466):

> "Q. Dr. Brown, I wish now to go to this abandoned application file wrapper of Carbon P. Dubbs, serial number 144,979, and is it your contention that this process teaches clean circulation?
>
> "A. Yes, in the way I have defined it."

This testimony stands undisputed. No countervailing evidence touching upon the disclosure of the 1917 Dubbs application was offered by respondent.

Brown definitely and clearly pointed out where all of the features of the clean circulation process of the Dubbs patent are found in the parent Dubbs 1917 abandoned application (III, 1417-36).

The legal effect of the 1917 Dubbs application is to antedate and render the Behimer patent ineffective as an item of the prior art, should this Court find contrary to the holdings below to the effect that the scheme therein disclosed is inoperative and possesses no practical utility.

Respondent has misconceived our argument by reading the quotation from gray brief (p. 72) as if the words "by" or "in" appeared after the phrase "spark of genius". The point is Dubbs's revolutionary conception of the complete and operative process of clean circulation (withdrawal of the whole residue and the return of the uncontaminated reflux to the inlet of the coil) including the inventive discovery of a hydrostatic head that made the process workable supplied the spark of genius that had eluded the skilled workers of the art for years.

XI. *Prior art other than Behimer* (R. R. 25). See gray brief, 79-100. We hardly think that the Court will wish us further to beat the dead horse of the alleged miscellaneous prior art, but it is significant to observe that the respondent has now come down to the position (bottom of p. 25 to top of p. 26) that Benton, Pielsticker, Hall, Ellis, Manley, Alexander and Greenstreet, apparently all seven of them, in sort of a continuous parade, taught residue withdrawal and non-return in combination with the return of clean reflux to the inlet of the cracking tubes. Here is a most extraordinary history, of seven inventors all said to have made a great discovery, and then not a single one of the great companies in a great industry learning from any of them, and then years later the distinguished and ingenious counsel for respondent pointing out that it had been perfectly evident all the time. Again, however, we are frank to say that if any of these prior patents had genuinely taught these conceptions, the fact alone that Dubbs was the first to make use of such a process would not make the invention patentable to him. Our position does not rest alone upon lack of success in these predecessors, although that is significantly proven on this record by proof of the expenditures by great companies upon a number of these processes and their admitted failures. If the patents themselves be carefully studied upon their face, and in the light of their disclosures, and not as they have been embellished by respondent in its drawings made for the case, we respectfully submit that their inadequacy will be as apparent to this Court as it was to the District Court and as it was years ago to the industry itself.

XII. *Whether Egloff's claims denote coil cracking* (R. R. 28). See white brief, 45-7, and gray brief, 100-4, 127-30. All agree that cracking involves a time factor; petitioner so stated plainly in its white brief, p. 116, and has, of course, never sought to say otherwise. Egloff clearly teaches substantial cracking in the coil 6, thereby providing the neces-

sary time element. Neither in Egloff nor in Dubbs is the operation of the time factor negatived by the cracking in the coil. In each some per cent of the cracking continues in the chamber, or C tubes. But, out of that fact respondent constructs an argument that none of the cracking takes place until the oil reaches the chamber, or C tubes; this is a gratuitous assumption, and is further evidence of the now familiar process of reasoning by which the respondent seeks to avoid infringement. First a premise is boldly stated, then a logical inference is drawn from the premise; but the premise was unsound. Generally, these arguments come back on analysis to the basic *assumption* that "vaporization" can be read as exclusively synonymous with vapor generation; and it was that assumption which the respondent successfully planted in the minds of the District Court and two judges of the Circuit Courts of Appeals. Once it is fully realized that the assumption itself is false, and that it is neither compelled by dictionaries nor permitted by the patent, the whole fabric of the argument that is sought to be built upon it necessarily falls.

Respectfully submitted,

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